

Message Text

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20

ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EA-11 NEA-10 IO-14 ISO-00 SPC-03

AID-20 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08

OMB-01 CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

XMB-07 OPIC-12 LAB-06 SIL-01 L-03 H-03 EUR-25 SCEM-02

INT-08 SCI-06 PM-07 SAB-01 DODE-00 PA-04 PRS-01

NSCE-00 SSO-00 USIE-00 INRE-00 /238 W
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O R 230525Z DEC 73

FM AMEMBASSY JAKARTA

TO AMEMBASSY TOKYO NIACT IMMEDIATE

INFO AMEMBASSY TEHRAN IMMEDIATE

SECSTATE WASHDC IMMEDIATE 72

AMEMBASSY JIDDA

AMEMBASSY LAGOS

AMEMBASSY CARACAS

USMISSION GENEVA

C O N F I D E N T I A L JAKARTA 14979

E.O. 11652: GDS

TAGS: OPEC, IR, JN, ID, ENRG

SUBJ: OPEC PRICING - INDONESIAN DELEGATE

REFS: A) TEHRAN 9029 B) JAKARTA 14977

1. SUBSEQUENT TO DESPATCH OF REF B, PERSONAL LETTER FROM CHARGE', SPELLING OUT URGENCY AND SERIOUSNESS OF ISSUE WITH SPECIAL EMPHSIS ON ADVERSITIES FOR DEVELOPING NATIONS, WAS DELIVERED TO ANONDO, ACTIONG DIRECTOR, GOI STATE OIL COMPANY, AND PENDING CONTACT WITH FONMIN MALIK WHO IS IN SUMATRA ON VATION TRIP WITH RPIMMIN KIRK. COPIES ALSO DELIVERED LAST NIGHT TO DIRECTOR GENERAL FOR ECONOMICS AT FONMIN, DR.

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ARIFIN, SECGENERAL ASHARI. PRESIDENTIAL SPECIAL ASSISTANT

SUDHARMONO ALSO BEING INFORMED. ARIFIN THEN JOINED NEARLY COMPLETE EXODUS OF RELEVANT TOP GOI OFFICIALDOM FROM JAKARTA FOR CHRISTMAS HOLIDAYS.

2. ECONCOUNS ALSO CONTACTED ENGINEER ANONDO, ACTING DIRECTOR PERTAMINA, URINGING HIS INSTRUCTIONS TO GOI OPEC DELEGATE DR. SANGER, TO EXERT LEADERSHIP FOR MODERATION IN OPEC PRICE DELIBERATIONS. ANONDO DECLARED INABILITY TO INSTRUCT SANGER IN ABSENCE OF PERTAMINA PRESIDENT GENERAL IBNU SUTOWO, BUT AGREED TO AUTHORIZE US TO CONVEY TO DR. SANGER HIS SUPPORT FOR MODERATE POSITION ON PRICING. ANONDO FELT UNABLE AUTHORIZE SANGER TO TAKE ANY INITIATIVES.

3. WE ARE COORDINATING EFFORTS WITH UK EMBASSY AND IT ALSO WILL EMPHASIZE TO FONMIN SEC GEN ASHARI URGENCY OF SITUATION AND CONSEQUENCES FOR INDONESIA AND OTHER DEVELOPING NATIONS. WE HAVE THUS EXHAUSTED ALL PERTINENT AVENUES OF APPROACH IN INDONESIA UNTIL TOMORROW.

4. ONE POTENTIALLY KEY OPTION FOR INFLUENCING GOI ACTION REMAINS OPEN. PERTAMINA PRESIDENT, GENERAL IBNU SUTOWO PRESENTLY IN JAPAN FOR TWO OR THREE MORE DAYS. IBNU HAS PREVIOUSLY EVINCED CONCERN FOR ORDERLINESS IN INTERNATIONAL OIL PRICING. ON OTHER HAND, RUMORS THAT INDONESIA MIGHT RAISE ITS OIL EXPORT PRICE TO \$12/BARREL OR MORE PRECEDED AMEMB JIDDA'S ALERT ON OPEC PRICING. NVERTHELESS, WE BELIEVE THAT IN CONTEXT OPEC PRICING, GENERAL IBNU COULD BE INFLUENCED BY HIGH LEVEL APPROACH BY AMEMBASSY TOKYO. IBNU, WHO HAS HIGHLY SOPHISTICATED UNDERSTANDING THESE MATTERS SHOULD BE SUSCEPTIBLE TO REALIZATIONS THAT UNDUE MIDEAST OIL PRICE INCREASES LIKELY TO MAGNIFY GREATLY EXISTING SHORTAGES AND PRICE INFLATION FOR PETROLEUM BY-PRODUCTS FROM JAPAN VITAL TO INDONESIA, SUCH AS NITROGENOUS FERTILIZER, TEXTILE AND PLASTICS RAW MATERIALS. GOJ FOREIGN MINISTRY STATEMENTS URGING JAPANESE INDUSTRY NOT TO LET PETROLEUM PROBLEMS UPSET EXPORTS TO LDCS RECEIVED PRESS ATTENTION HERE DEC 21, POSSIBLY USEFUL AS SUPPORTING EVIDENCE. MOREOVER, RISK OF WORLD RECESSION FROM UNREASONED OIL PRICE HIKES COULD SERIOUSLY JEOPARDIZE INDON LEADING EXPORTS OF TIMER AND MINERALS AND PROVE BLOW TO DEVELOPMENT AND STABILIZATION EFFORTS. THIS PROBLEM
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ALREADY DISTURBING GOI PLANNERS.

5. ACTIONS RECOMMENDED: A) THAT AMEMB TEHRAN, AT ITS DISCRETION, UTILIZE REPORT OF OUR CONTACT WITH ANONDO AND HIS AUTHORIZATION PENULTIMATE SENTENCE PARA 2 ABOVE, TO MAINTAIN CONTACT AND ENCOURAGE HIS INTERVENTION BEHALF MODERATION, B) THAT AMEMBASSY TOKYO AT ITS DISCRETION ATTEMPT CONTACT GENERAL IBNU, AT HIGH LEVEL, TO CONVEY OUR CONCERNS, AND CONSIDERATIONS FOR INDONESIA,

PER PARA 4 ABOVE, IN HOPE ENCOURAGING IBNU TO INSTRUCT SANGER
TO TAKE ACTIVE LEAD IN DELAYING OPEC PRICING DECISIONS.
PERTAMINA TOKYO OFFICE AT NO 20 NISHIKUBO, AKEFUNE-CHO,
SHIBA MINATO-KU (9TH FLOOR MORI BLDG. 18). PRIOR MONDAY HOW-
EVER PRESUME BEST BET MIGHT BE ATTEMPT TO CONTACT THROUGH
INDONESIAN EMBASSY.
KLIEFORTH

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